

REPORT

OF THE

COMMITTEE OF WAYS AND MEANS

RELATIVE TO THE

PRESERVATION OF THE PUBLIC FAITH,

AND THE

FINANCES OF THE COMMONWEALTH.

Mr. GAMBLE, Chairman.

Read in the House of Representatives, March]8, 1842.

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REPORT.

Mr. GAMBLE, from the Committee of Ways and Means, to whom was referred "so much of the Governor's Annual Message as relates to the debts and liabilities, and the revenue and resources of the Commonwealth, the necessity of preserving unimpaired the public faith, &c." and such petitions and memorials as had reference to the finances of the Commonwealth, submitted the following

REPORT:

Your Committee entered upon the discharge of the duties assigned them, under a full sense of their magnitude, and the peculiar embarrassment in which this branch of legislation is now involved. In the palmy days of commercial prosperity, it were an easy task to replenish an empty Treasury. Capitalists sought the proffered loans with eager avidity, and wealth flowed into the Treasury *by permission* of the Legislature.

But these streams of revenue have now dried up, public credit has become prostrated, and we are thrown back upon our own resources, encumbered with a public debt varying but little from forty millions of dollars. Although the accumulation of this enormous public debt may justly be regarded with the deepest regret and most anxious solicitude, by the citizens of the State, yet when we reflect that a large proportion of it has been incurred by the construction of a gigantic system of Internal Improvements, unequalled in extent, enterprise, and cost of construction, by any similar achievement in any other government, we cannot but feel our State pride aroused, our energies nerved, and our means willingly embarked in its prompt and faithful payment.

These improvements traverse, in various directions, the entire extent of the Commonwealth, adding in ten thousand different ways, wealth to almost every section of the State; facilitating the improvement and cultivation of our soil; encouraging the establishment of manufactories, and developing and drawing forth the immense mineral wealth

of our country. They form the great artery through which the productions of the "boundless west" will seek an eastern market, and pour its accumulating wealth into our emporiums of commerce.

And although they have not yet yielded a revenue equal to the anticipations of their projectors, in the way of *tolls*, they have in *other respects*, more than realized the most sanguine predictions of the *general benefits* and *advantages* they would confer.

When it is remembered that our "main line" possesses many important advantages over the rival improvements of New York, and that the latter are yielding a revenue over the interest upon the cost of construction; we may reasonably anticipate a similar result from our "main line," when experience shall have taught us the necessary improvements, and the most economical system of management.

When all the advantages thus conferred upon the Commonwealth, are fairly and impartially estimated, they go far towards reconciling us to the immense debt and consequent embarrassments their construction have cost us. We may now be able to see many errors in the conception and adoption of this great scheme, the misapplication and waste of the funds and energies of the Commonwealth, which could, with our experience, be now avoided; yet, fault finding and regrets are alike unavailing, and to profit by the experience, we should foster and increase, by every means in our power, the productiveness and general usefulness of our public improvements, as we find them constructed.

In connection with this subject, we would remark, that the present system of transportation upon our public works, has tended more to limit their business and lessen their profits, than perhaps all other causes combined. The profitable trade of the Valley of the Ohio has been actually driven from this channel by combinations among these large transporting companies, to convey produce and merchandize, only at certain *fixed* and *exorbitant prices*. Individual competition, if made practicable, would break up these combinations and insure the transportation of this trade at fair and reasonable prices. To effect this desirable object, your Committee recommend the passage of Bill No. on the files of the House of Representatives, which provides for the general introduction of "portable section boats" upon the improvements. Individuals can then, without very large investments, become carriers, and the business, instead of being confined to a few monopolizing companies, will be thrown open to general competition, which would at once guarantee to the citizens of other States, moderate charges for the transportation of their produce and merchandize.

The manifest advantages of this improvement, together with the profit that would unquestionably accrue to the Commonwealth by the conveyance of passengers herself upon the railroads, would, in the opinion of your Committee, *vastly* increase the revenue derived from that source.

The attention of your Committee was early and anxiously directed to the extraordinary depression of our State stocks, and the apparent discredit of the *ability* or *good faith* of the Commonwealth, to meet her engagements. They found the five per cent. stocks of the Commonwealth selling in the market at the ruinous discount of *fifty-seven per cent.*; while the five per cent. stocks of the city of Philadelphia were selling readily at *par*, and in some instances at a *premium* of five or six per cent. Believing that the *causes* of this extraordinary difference, if clearly ascertained, would indicate the necessary legislation, and enable the Legislature to rescue the sinking credit of the State, they have endeavored to ascertain those causes, and their investigations have led to the following conclusions.

The great wealth and immense resources of Pennsylvania, wherever known and appreciated, must at once put to flight any vague and unfounded fear (if any can possibly exist) of her *ultimate ability* to pay her public debt. From the returns made by the County Commissioners to the Auditor General, the value of the real estate, horses and cattle assessed for county purposes in the forty-three counties returned, amounts to three hundred and sixty-one millions four hundred and one thousand four hundred and ninety-four dollars. This, it is presumed, does not exceed two-thirds of the actual value of the property mentioned; and there remains to be added similar returns from eleven counties, not yet received; so that the actual value of such property may be estimated to exceed *five hundred millions* of dollars—upon which *alone* a tax of one per cent. per annum would, in a very few years, pay both the principal and interest of the whole public debt. From a table based upon the statistic returns of the Marshalls who took the late census, carefully prepared by a very competent gentleman, we observe that the value of the *annual products* of Pennsylvania exceed the sum of *two hundred millions of dollars*—upon which a tax of one per cent. would bring into the Treasury over two millions of dollars annually.

Then, surely, the ability of the whole State (of which Philadelphia is an integral part, bound in honesty and good faith to pay its proportion,) cannot be less to pay forty millions, than the ability of the city of Philadelphia alone is to pay three millions.

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Your committee cannot believe that any distrust or doubt of the ultimate ability of the State to meet any and all of her engagements can be reasonably entertained. It is true there is a difference in the facilities of enforcing payment—the corporation of the city of Philadelphia may be sued. Yet that remedy is never resorted to there to enforce the payment of a loan. Capitalists are generally unwilling to receive payment, or change their investments, so long as confidence in their security remains unshaken, and their interest is promptly paid. Nor do they seek investments where there is even a probability that repayment must ultimately be enforced by suit. This circumstance cannot, therefore, be the cause of the extraordinary difference in the market price of these stocks.

It cannot be that the *good faith* and honor of Pennsylvania is distrusted, and that, too, by Pennsylvania capitalists. Never! The universal contempt and indignation with which the doctrine of repudiation is met in every section of the Commonwealth, among all ranks and conditions, among all parties and all men, proclaim, with a voice that cannot be misunderstood or doubted, that the plighted faith of Pennsylvania shall never be broken! The high reputation of the citizens of this Commonwealth for honesty and inflexible integrity is proverbial and co-extensive with their name and history. This public debt has been contracted by them, through the agency of their representatives, voluntarily chosen by the people for that purpose, and clothed with the necessary authority by the Constitution of their adoption. It is, therefore, a debt of their own contracting, which in honesty and good faith should be paid to the “utmost farthing:” and this moral obligation constitutes a guarantee sure and steadfast and abiding as the immutable principles of truth and justice—a guarantee which neither time nor circumstances can change or impair. The foul breath of repudiation can, therefore, never pollute the halls of legislation in Pennsylvania, or tarnish the fair fame of her citizens.

The reasons for the depression in the price of our State stocks must be sought in *other causes* than these.

The city of Philadelphia has adopted a system of taxation by which a fund is annually raised, *abundant, beyond all contingencies*, to pay the interest as it falls due upon her debt, and gradually accumulate a sinking fund for its ultimate liquidation. She does not throw new stocks into the market to meet her interest; but, on the contrary, when stocks become depressed, or when changes of investment are sought, her sinking fund enables her to come into the market as a purchaser, and increase the demand and competition for her own stocks.

What has been the policy pursued by Pennsylvania in this particular? It is true that she has generally met the payment of her interest; but uniformly by a resort to a new loan, and generally by throwing into the market stocks bearing a *higher* rate of interest. She has no permanent adequate fund to which the capitalist may look with confidence for the payment of his interest, or make any certain calculation in advance upon its reception. Instead of accumulating a sinking fund for ultimate liquidation, there never has been created a fund sufficient to meet the interest—its payment being, therefore, extremely uncertain, and only accomplished in many instances by the most energetic and untiring exertions of the Executive.

In this (more than in all others combined) consists the great cause of the extraordinary depression of our stocks, beyond all doubt; and the only effectual remedy, in the opinion of your committee, is an increase of taxation, to be rendered certain in amount, and more promptness secured, in its collection and payment into the State Treasury.

The revenue specifically appropriated to the payment of the interest upon the public debt, exclusive of the tax levied upon real and personal property, consists of tolls on canals and railways, auction duties, taxes on collateral inheritances, dividends on turnpike, bridge and navigation stocks, and escheats. The aggregate amount derived from these sources, for the year ending the 30th of November last, was \$891,666 38: a sum about equal to the semi-annual demand accruing for interest, and yet, a greater sum than can be spared from the ordinary revenue, consistent with the public interest. Hence, upon some former occasions, a portion of this fund has been necessarily applied to other purposes, and other funds diverted from their legitimate purposes, in order to restore or preserve this fund—the consequence of which, is confusion and embarrassment in the Treasury department, and inability to meet the demands upon it. This arrangement, therefore, requires some alteration.

By the Act passed the 11th of June, 1840, a tax was authorized to be levied and collected, which was estimated to amount to five hundred thousand dollars. It should have been collected and paid into the Treasury under the provisions of that law, last year, (1841.) By reference to the report of the State Treasurer it will be seen, that up to the 30th day of November last, the end of the fiscal year, but \$33,292 77 of this tax had been received at the Treasury. When the balance of this tax may reach the Treasury it is impossible to tell, inasmuch as balances of the tax of 1831, collected under

similar provisions, are still outstanding and occasionally finding their way into the Treasury yet.

Great complaint was justly made on account of the inequality that prevailed in the assessment of this tax. Owing to the different systems of assessment obtaining in the different counties, some paid *more* than their equal proportion, and others *much less*. To remedy this defect, as well as to increase the revenue derived from taxation to something like the wants of the Government, the law of the 15th of May, 1841, "to establish a uniform mode for the valuation of property," was passed. It was estimated by the Committee of Ways and Means, who reported this act, that it would increase the State tax to the sum of twelve or fifteen hundred thousand dollars, and secure uniformity in the assessments.

Yet it would seem that many of the counties have paid no regard to the provisions of this law at all, while others, acting in better faith, have doubled their former tax; consequently there is still less equality and uniformity in the last, than in the preceding tax, and much more reason for complaint.

Returns of the assessments have been received by the Auditor General from forty-three counties, by which it is evident that the whole tax assessed will be less than six hundred thousand dollars.

It is therefore most manifest that our present system of taxation is radically defective and totally inefficient.

Your committee have, therefore, reported an Act entitled "An Act to provide for the certain and permanent payment of interest upon the public debt." It provides for the assessment and collection of an annual tax of one million five hundred thousand dollars, to be paid into the Treasury semi-annually, at least ten days preceding the 1st day of February and August, of each year. It constitutes a Board of Tax Commissioners, for the purpose of apportioning this tax among the different counties of the Commonwealth, according to the amount of their taxable property, who are to certify to the different County Commissioners the amount of tax their respective counties are required to pay. The assessment and collection of which, and its prompt payment into the State Treasury, are enforced by suitable and effective penalties. This sum, together with five hundred thousand dollars of the revenue, now pledged for the payment of interest, constituting a fund of two millions of dollars, is set apart exclusively for the payment of interest, and the accumulation of a sinking fund, for the reduction and final liquidation of the public debt.

Your committee believe that the passage of this law, will restore

the lost credit of Pennsylvania, and elevate her stocks to that standard in the market, which her wealth, her honor, and the reputation of her citizens entitle them. They believe that a general determination prevails among the citizens of the State, to maintain the credit of the Commonwealth at all hazards, and at all necessary sacrifices—that a settled opposition exists every where, to any further increase of the public debt, even for the payment of interest, and that they expect their Representatives to meet the emergency manfully, and enact the necessary laws to carry out their wishes. This Legislature, by the unanimous vote of each of its co-ordinate branches, proclaimed to the world that the plighted faith of the Commonwealth would be maintained inviolate, and her honor preserved unsullied. Your committee have therefore felt it to be their duty to devise the means by which these objects can be accomplished; and they believe they have pretty clearly shown that all depends upon the adoption of the Bill they have reported, or one containing similar provisions.

Taxes are at all times onerous, and at this time will be peculiarly so; but their extent and burden has been vastly increased already, by delay, and by the adoption of temporary expedients. The rapid accumulation of our public debt admonishes us that it is high time we should change our policy—check at once this rolling and accumulating ball, and give it a retrograde impetus. The people will never falter or shrink from burdens so necessarily imposed, and so strongly recommended by every dictate of sound policy.

There is due to the domestic creditors of the State, the sum of \$1,604,415 77, as follows, viz:

For work and materials furnished upon finished lines	
of the public improvements,	\$613,579 33
For work done on the Erie Extension,	574,406 23
For do do North Branch Extension,	389,676 42
For do do Wiconisco canal,	26,753 79
	<hr/>
	<u>\$1,604,415 77</u>

A large proportion of this debt has been due for years, and it is painful and humiliating to acknowledge, that by the necessity and force of circumstances, the Commonwealth has been compelled to make preferences among her creditors, to the entire exclusion of that class composed of her own citizens, by whose labor and enterprise her improvements have been constructed—whose patriotism has induced them to bear cheerfully and willingly their portion of the public

burthens, imposed to maintain the credit of the Commonwealth abroad, and meet her engagements to foreigners, while their own claims, equally just and meritorious, have been postponed. They have suffered by this delay, beyond patient endurance, and are justly entitled to almost any sacrifice necessary on the part of the Commonwealth, to effect an honest and speedy payment of their demands. They are our constituents—our fellow-citizens, entitled to all our sympathies, and to our united exertions for their relief. They ask but justice at our hands—that justice which has already been too long delayed—too long withheld from them. By all these considerations, and the moving appeals made by these creditors to the Legislature, in their memorials which have been referred to your committee, they deeply regret that the ordinary means of payment, cannot be immediately provided. Action upon this branch of our duties, has been delayed, much against our feelings and inclinations, in hopes that a scheme of revenue might be devised, free from serious objections, calculated to effect this desirable purpose. Under existing circumstances, we have but a choice of expedients.—Loans cannot be effected at *present*; taxation to pay the principal of this debt, would be too onerous, and too tardy in its operation. Unparalleled distress and ruin must be the consequence of any further postponement of payment, or relief in some way—not only to the immediate claimants, but to all with whom they have had business transactions. Extending its embarrassing and paralyzing influence into all branches of business and conditions of life, at a period too when all the means and all the energies of business men are called into requisition to maintain a standing amid the general wreck and threatening crash of commerce.

After mature reflection, your committee recommend the adoption of the Bill accompanying this report.

Your committee have in progress a Bill relating to county rates and levies, which, together with a Bill making the necessary ordinary appropriations, they will report as early as practicable.

From a statement furnished by the State Treasurer it would appear that if the amount due by the Bank of Pennsylvania is received in time, and the banks comply with the requisitions made upon them by the Governor, the amount thus realized, together with the taxes and the ordinary revenue anticipated by the first of August next, a sufficient fund will be accumulated to pay the interest falling due upon that day. Any further provision is, therefore, deemed unnecessary at present.

AN ACT to provide for the Payment of Debts due by the Commonwealth to Domestic Creditors, and to provide for necessary Repairs upon the Public Works.

SECTION 1. *Be it enacted by the Senate and House of Representatives of the Commonwealth of Pennsylvania, in General Assembly met, and it is hereby enacted by the authority of the same,* That the Governor be and he is hereby authorized and empowered to borrow, on the credit of the Commonwealth, the sum of one million eight hundred thousand dollars, at an interest not exceeding six per cent., payable half yearly, reimbursable at any time after five years from the first day of August next, for which he shall issue negotiable certificates of stock, transferable on the books of the Auditor General, by the owner or owners of the same, and upon any such transfer, new certificates shall be issued by the Auditor General, or such other agent as may be authorized by law, the interest upon said loan to be paid at the State Treasury on the first day of August and February of each year; which sum shall be paid to and invested in the Internal Improvement Fund, for the purpose of paying the debts now due for work done and materials furnished upon the finished and unfinished lines of canals and railroads, and for their repair and security during the present year.

SEC. 2. And the Governor is also authorized to issue, or cause to be issued, certificates of stock, in the aforesaid loan, in sums of not less than one hundred dollars, in the usual form and manner, to any creditor of the Commonwealth, who is entitled to be paid out of the proceeds of said loan, as appropriated by the first section of this act, who is willing to receive the same in payment of debts due to him by the Commonwealth, and receipt to the proper officer for the full payment thereof.

SEC. 3. And for the purpose of settling any debt now due, or that may hereafter become due, payable out of the loan appropriated, as aforesaid, and as an acknowledgment of indebtedness, the State Treasurer is hereby authorized to issue to each and every creditor, who may require it, in sums of not less than five dollars, nor exceeding one hundred dollars, to an amount equal to said indebtedness, a certificate, as follows, viz:

No.

Commonwealth of Pennsylvania:

This will be received for _____ dollars, in payment
of any dues to the Commonwealth.

State Treasurer.

Harrisburg,

day of

184 .

Which paper, or certificate, shall be signed by the State Treasurer, and countersigned by the Auditor General, with the date of said issue. And it shall be the duty of the State Treasurer, and the Auditor

General, each to keep a register of the same, when issued, and to whom issued, and on what debt or account—an account of which shall be furnished monthly to the Governor.

SEC. 4. Said certificates shall bear an interest of six per cent. on the sum for which each is issued, to be paid when the same is redeemed and paid by the State Treasurer, to the person who shall be the holder of said certificate, when presented for payment.

SEC. 5. As soon as the Governor shall be able to borrow the money, as provided by the first section of this act, or any part thereof, and the same is received by the State Treasurer, he shall apply the amount thus received, in payment of said certificates, as fast as they are presented therefor, and shall mark the same canceled.

SEC. 6. And whenever a sufficient sum is thus received by the State Treasurer to pay all of said certificates, he shall give notice thereof in one or more papers published in Harrisburg, Philadelphia and Pittsburg, and within ten days after the publication of said notice, the interest upon said certificates shall cease, and when paid, shall only be calculated from their date to that period.

SEC. 7. All expenses that shall be necessarily incurred in carrying into effect any of the provisions of this act, shall be paid out of any money in the Treasury not otherwise appropriated by law.

AN ACT to provide for the certain and permanent Payment of Interest on the State Debt.

SECTION 1. *Be it enacted by the Senate and House of Representatives of the Commonwealth of Pennsylvania in General Assembly met, and it is hereby enacted by the authority of the same,* That the several counties of this Commonwealth shall annually raise, by taxation, the taxes to be levied as now provided for by law, or in such way and manner as shall hereafter be provided, the sum of one million five hundred thousand dollars, to be paid into the State Treasury semi-annually, the one-half thereof, at least ten days preceding the 1st day of February, and the other half, at least ten days preceding the 1st day of August, in each and every year.

SEC. 2. That the sum of money thus raised and paid into the State Treasury, together with the sum of five hundred thousand dollars of the revenue heretofore pledged, specifically, for the payment of interest, shall be kept by the Treasurer as a separate fund, for the payment of interest upon the public debt, and shall not be applied to any other use or purpose whatsoever: *Provided,* That any balance of said fund remaining in the Treasury, after the payment of the interest aforesaid, as it becomes due, shall be transferred by the Treasurer to the sinking fund, and shall be applied by the Commissioners of said fund, to the extinguishment of the public debt, according to law.

SEC. 3. That _____ of _____ and the State Treasurer, shall constitute a Board of Tax Commissioners, whose duty it shall be to divide and apportion the said sum of one million five hundred thousand dollars, among the several counties of this Commonwealth, according to the amount of taxable property within the said counties, as nearly as they can ascertain the same, and as fairly and uniformly as the best information they can obtain from any source may enable them to do; and the said Commissioners, before entering upon the duties of their office, shall be severally sworn to discharge their duties, as herein prescribed, with fidelity.

SEC. 4. The said Commissioners shall enter upon the discharge of their duties, as soon after the passage of this law as may be practicable; and after examining the returns made by the County Commissioners, filed in the Auditor General's office, they shall determine what additional information they will require from the County Commissioners, or other county officers; and it is hereby made the duty of the County Commissioners or other county officers, upon being required so to do, forthwith to furnish answers, under oath, to such interrogatories or inquiries as may be addressed to them or any of them by the said Board of Tax Commissioners; and any neglect or refusal to furnish full and satisfactory answers, as aforesaid, when in their power, shall be deemed and taken to be a misdemeanor in office, punishable as like offences are now by law punished.

SEC. 5. It shall be the duty of said Board of Tax Commissioners, to keep a record of their proceedings, in which they shall record the quota and proportion of the said sum of one million five hundred thousand dollars, which each of the several counties of the Commonwealth will be required annually to pay; and the said record shall constitute a charge upon the said county, which shall be collected from them respectively, and paid into the Treasury semi-annually, on or before the days mentioned in the first section of this act; and the said Tax Commissioners shall certify to the Commissioners of the several counties of this Commonwealth, the amount they are thus required to raise, on or before the first day of July next, and shall each be entitled to receive three dollars per day, in full for their services: *Provided*, That if any vacancy occur in said board, by death, resignation, or refusal to serve, it shall be the duty of the Governor to supply the same by appointment.

SEC. 6. It shall be the duty of the commissioners of every county in the Commonwealth, on or before the first day of next, and annually thereafter, to cause to be levied and assessed according to law, a tax upon property, persons, occupations, and things now taxable, or which shall hereafter be made taxable for the payment of the State debt, a sum sufficient, (after deducting all charges for collection, and all exonerations,) to pay the amount charged against said city or county respectively, by the Commissioners appointed by the third section of this act, and shall cause the one-half of the tax so assessed, to be collected and paid into the county treasury, on or before the first day of July following, and the other half on or before the first day of January thereafter, and on the first day of July and January of each and every year thereafter.

SEC. 7. It shall be the duty of each County Treasurer to keep a separate account of the money received by him, under the provisions of this act, and pay over the same to the State Treasurer semi-annually, at least ten days preceding the first day of February and the first day of August in each and every year; and if any County Treasurer shall wilfully neglect or refuse to pay over as aforesaid, any money collected and paid to him in pursuance of the provisions of this act, he shall be deemed guilty of a misdemeanor in office; and upon conviction of such offence in any court of criminal jurisdiction in this State, shall be fined in any sum not less than one hundred, nor exceeding five hundred dollars, and be sentenced to undergo an imprisonment in the county jail or State penitentiary, for any period of not less than six months, nor exceeding two years, at the discretion of the court: *Provided*, That nothing herein contained shall impair his liability, or that of his sureties, upon his official bond.

SEC. 8. If any County Treasurer shall fail to pay to the State Treasurer the one half of the sum charged upon the county, of which he is the Treasurer, under the provisions of this act, semi-annually, on or before the days mentioned in the seventh section of this act in each and every year, it shall be the duty of the State Treasurer forthwith to draw his draft upon said County Treasurer for the amount that

shall be found due from said county on that day, and have the same duly presented for payment, and if not paid at sight, the same shall be regularly protested by a notary public for non-payment; and in case any draft is so protested, it shall be the duty of the State Treasurer to deliver the same to the Attorney General or his deputy, who shall, at the first term thereafter, apply to the court of common pleas of the county where such default of payment is made, for a rule upon the county commissioners to shew cause why a mandamus shall not issue against them to compel the payment of the sum so due from the county, which rule shall be made returnable during said first term, and shall be heard, tried and determined by said court at the same term.

SEC. 9. If, upon the trial of the cause mentioned in the preceding section, it shall be made appear to the satisfaction of the court, or shall be found by a jury, that the county commissioners have omitted or neglected to perform any duty enjoined upon them or required to be performed by them, or any of them, or at the time so required by any law then in force relative to the assessing, collecting or enforcing the collection of the money required to be paid by said county, said court shall order, direct and decree that the persons or person so offending shall pay the amount then due; and in default of payment thereof shall commit the persons or person against whom said order or decree is made to the jail of the county, there to remain without bail until the whole sum and costs of suit are paid; and on such commitment, the office so held by him or them shall be declared by the court vacant, and be supplied according to law.

SEC. 10. If any assessor of any township, borough, ward or district in this Commonwealth, (after having taken upon himself the duties of said office,) shall omit, neglect or refuse to perform any duty required of him by any of the provisions of this Act, he shall be deemed guilty of a misdemeanor in office, and punished as is provided for in the third section of the Act entitled "An Act to establish a uniform mode for the valuation of property and assessment of taxes," passed the thirteenth day of May, one thousand eight hundred and forty-one.

SEC. 11. If any collector shall wilfully neglect or omit to collect the tax or taxes assessed for the purpose mentioned in this Act, and committed to him for collection, and shall fail to pay over to the county treasurer the one half of the amount of his duplicate on or before the first day of July, and the remaining half on or before the first day of January, of each and every year, he shall be deemed guilty of a misdemeanor in office, and upon conviction thereof in any court having criminal jurisdiction of said offence, shall be fined in any sum not less than twenty nor exceeding one hundred dollars, and sentenced to undergo imprisonment in the jail of said county for a period of not less than three nor exceeding six months, at the discretion of the court: and upon any such conviction, it shall be the duty of the treasurer of said county to cause to be issued an execution upon the certificate filed against such delinquent collector, and proceed forthwith to enforce its collection according to law.

SEC. 12. If any collector, having collected the tax or taxes required to be collected by him, shall use the money so collected, or shall neglect or refuse to pay the money so collected over to the county treasurer within the time herein required, he shall be deemed guilty of a misdemeanor in office, and upon conviction thereof in any court having jurisdiction of said offence shall be sentenced to pay a fine not exceeding five hundred dollars, and to undergo an imprisonment in the jail of said county or the State penitentiary for a period not exceeding two years, at the discretion of the court.

SEC. 13. Each county treasurer shall be allowed the sum of one half of one per cent. for his trouble, in receiving and paying over the money required to be collected by this act, to the State Treasurer: *Provided*, The same is paid into the State Treasury, at the time and in the manner required by the seventh section of this act.

SEC. 14. The Attorney General or his deputy, shall be allowed five per cent. on the amount of all drafts upon county treasurers, collected by him, as hereinbefore provided; which said per centage shall be in full for his services, and shall be paid by the county commissioners or county treasurer, who shall be adjudged by law to pay said drafts.

SEC. 15. That from and after the first day of August, one thousand eight hundred and forty-three, the balance of the tolls which shall be received from the canals and railroads of this Commonwealth, and all other revenues of the State, which, by the existing laws, are pledged for the payment of interest upon the public debt, after deducting and reserving therefrom annually the sum of five hundred thousand dollars, for the purposes mentioned in the second section of this act, shall be, and the said balance is hereby exempted from any such pledge or specific appropriation, but shall be applied to the payment of expenses upon the canals and railroads, and keeping the same in repair, in defraying the ordinary expenses of the government, and in support of common schools, in such sums as shall hereafter be appropriated by law for said purposes.

SEC. 16. If, at the end of any financial year, there shall be found to be a surplus in the Treasury, after having expended the several sums appropriated by law as aforesaid, if said surplus shall exceed the sum of hundred thousand dollars, it shall be carried to the "interest fund," and the State Treasurer shall make a pro rata deduction from the amount charged upon the several counties of the Commonwealth, and certify the same to the several county commissioners, which certificate shall be regarded as an exoneration for the amount thereof for the current year. But if the said surplus shall be less than hundred thousand dollars, it shall, in such case, be transferred by the State Treasurer, to the "sinking fund," and shall be applied by the commissioners of said fund, to the extinguishment of the public debt, according to law.